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DEPARTMENT OF AGRICULTURE

Office of the Secretary

7 CFR Part 2

Revision of Delegations of Authority

AGENCY: Department of Agriculture.

ACTION: Final rule.

SUMMARY: This document revises the delegations of authority from the Secretary of Agriculture and general officers of the Department to change the names of the Rural Housing and Community Development Service and the Rural Business and Cooperative Development Service.

EFFECTIVE DATE: December 26, 1995.

FOR FURTHER INFORMATION CONTACT: Robert L. Siegler, Deputy Assistant General Counsel, Research and Operations Division, Office of the General Counsel, Department of Agriculture, Room 2321-S, Washington, DC 20250, telephone 202-720-6035.

SUPPLEMENTARY INFORMATION: On November 8, 1995, USDA published in the Federal Register (60 FR 56392-56465) a revision of the delegations of authority appearing in 7 CFR part 2 due to a reorganization of the department. The revised delegations effectuated the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354. The Act permits the Secretary to reorganize the Department of Agriculture. The Act authorized the establishment of subcabinet positions and the restructuring of agencies and offices of the Department of Agriculture. The Secretary established the Rural Housing and Community Development Service and the Rural Business and Cooperative Development Service. It has been determined that public confusion exists with regard to the two agency names, and that the names are long and cumbersome. Accordingly, the Secretary

has determined to change the agency names from the Rural Housing and Community Development Service to the Rural Housing Service, and the Rural Business and Cooperative Development Service to the Rural Business-Cooperative Service. The functions and responsibilities of the two agencies will remain the same. Accordingly, 7 CFR part 2 is revised as set forth below.

List of Subjects in 7 CFR Part 2

Authority delegations (Government agencies).

PART 2—DELEGATIONS OF AUTHORITY BY THE SECRETARY OF AGRICULTURE AND GENERAL OFFICERS OF THE DEPARTMENT

1. The authority citation for part 2 is revised to read as follows:

Authority: Sec. 212(a), Pub. L. 103-354, 108 Stat. 3210, 7 U.S.C. 6912(a)(1); 5 U.S.C. 301; Reorganization Plan No. 2 of 1953, 3 CFR, 1949-1953 Comp., p. 1024.

Subpart C—Delegations of Authority to the Deputy Secretary, the Under Secretaries and Assistant Secretaries

2. In subpart C, all references to:

- (1) "Rural Housing and Community Development Service" are revised to read "Rural Housing Service";
- (2) "Rural Business and Cooperative Development Service" are revised to read "Rural Business-Cooperative Service";
- (3) "rural housing and community development" are revised to read "rural housing"; and
- (4) "rural business and cooperative development" are revised to read "rural business-cooperative".

Subpart D—Delegations of Authority to Other General Officers and Agency Heads

2. In subpart D, all references to:

- (1) "Rural Housing and Community Development Service" are revised to read "Rural Housing Service"; and
- (2) "Rural Business and Cooperative Development Service" are revised to read "Rural Business-Cooperative Service".

Subpart F—Delegations of Authority by the Under Secretary for Farm and Foreign Agricultural Services

3. In subpart F, all references to:

(1) "Rural Housing and Community Development Service" are revised to read "Rural Housing Service"; and

(2) "Rural Business and Cooperative Development Service" are revised to read "Rural Business-Cooperative Service".

Subpart G—Delegations of Authority by the Under Secretary for Rural Economic and Community Development

4. In subpart G, all references to:

(1) "Rural Housing and Community Development Service" are revised to read "Rural Housing Service"; and

(2) "Rural Business and Cooperative Development Service" are revised to read "Rural Business-Cooperative Service".

Subpart J—Delegations of Authority by the Under Secretary for Natural Resources and Environment

5. In subpart J, all references to:

(1) "Rural Housing and Community Development Service" are revised to read "Rural Housing Service"; and

(2) "Rural Business and Cooperative Development Service" are revised to read "Rural Business-Cooperative Service".

For subparts C and D:

Dated: December 15, 1995.

Dan Glickman,
Secretary of Agriculture.

For Subpart F:

Dated: December 19, 1995.

Eugene Moos,
Under Secretary for Farm and Foreign Agricultural Services.

For Subpart G:

Dated: December 18, 1995.

Jill Long Thompson,
Under Secretary for Rural Economic and Community Development.

For Subpart J:

Dated: December 19, 1995.

James R. Lyons,
Under Secretary for Natural Resources and Environment
[FR Doc. 95-31267 Filed 12-22-95; 8:45 am]
BILLING CODE 3410-01-M

DEPARTMENT OF THE TREASURY**Office of Thrift Supervision**

12 CFR 505, 506, 510, 512, 516, 543, 544, 545, 550, 552, 556, 563, 563b, 563c, 563d, 565, 566, 567, 571, 574, 575, 583, 584

[No. 95-200]

Technical Amendments; Loans to One Borrower

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Final rule.

SUMMARY: The Office of Thrift Supervision (OTS) is revising its regulations to incorporate a number of technical and conforming amendments. The amendments include corrections to: Amendments adopted in 1994 that were not codified as OTS intended, cross-references that became outdated due to other regulatory amendments, regulations affected by legislation, regulations containing addresses, office titles, and other titles that are out of date, the table setting forth OMB control numbers assigned to regulations under the Paperwork Reduction Act, and regulations containing typographical errors.

This rulemaking also adopts as final the OTS's interim final rule regarding loans to one borrower (LTOB).

EFFECTIVE DATE: December 26, 1996.

FOR FURTHER INFORMATION CONTACT: For Technical and Conforming Amendment information contact: Mary Gottlieb, Senior Paralegal, (202) 906-7135, Regulations & Legislation Division, Chief Counsel's Office. For Loans to One Borrower information contact: William J. Magrini, Project Manager, Supervision Policy, (202) 906-5744; or Valerie J. Lithotomos, Counsel (Banking and Finance), Regulations and Legislation Division, Chief Counsel's Office, (202) 906-6439, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington DC 20552.

SUPPLEMENTARY INFORMATION:**Technical and Conforming Amendments**

Sections 505.1 through 505.4 are being amended to reflect the reorganization and relocation of the Public Reference Room announced in the Federal Register on September 14, 1995.¹ The former Information Services Division is now part of the

Dissemination Branch and is located at 1700 G Street, NW. on the lower level.

Part 506, concerning the control numbers assigned pursuant to the Paperwork Reduction Act, is being amended to reflect the Paperwork Reduction Act of 1995² and to generally update the regulation reference table.

Section 516.1 is being amended to correct the addresses of OTS's Regional Offices. The definition of "CAMEL Rating" found at § 516.3(c) is being amended to reflect the previous global change from the MACRO to the CAMEL rating system for examinations.³ Section 516.3(c) still refers to the components of the obsolete MACRO system.

The model bylaws for stock associations in the appendix to part 552 are being amended to make them conform with the regulatory change that removed the annual independent audit requirement for small savings associations with composite CAMEL ratings of 1 or 2.⁴ Institutions regulated under the Securities Exchange Act of 1934 ('34 Act) will still have to comply with § 552.10, which requires associations to send an annual report to stockholders containing financial statements that satisfy the requirements of Rule 14a-3 of the '34 Act. Rule 14a-3 allows an institution that does not have an annual audit to include unaudited financial statements in its annual report.

Sections 563b.2(a)(16) and 574.6(a)(4)-(a)(6) were inadvertently removed⁵ and are being reinstated without revision.

This final rule also includes a number of non-substantive technical revisions correcting a variety of erroneous cross-references and eliminating obsolete terminology. The majority of the revisions concern the removal of the term "District Director" and "District Office." The OTS's field offices were converted from district to regional offices several years ago. The regulations have been reviewed to determine, in each individual case, whether references to "District Director" should refer instead to "Regional Director" or "OTS," and whether references to "District Office" should refer instead to "Regional Office" or "OTS."

Loans to One Borrower

On March 28, 1995, the OTS published an interim final rule with request for comment on LTOB.⁶ That

interim final rule reflected changes that the Office of the Comptroller of the Currency (OCC) had recently made to its lending limits regulation. Section 5(u) of the Home Owners' Loan Act requires that savings association lending limits conform to those applicable to national banks.⁷

The comment period for the interim final rule closed on April 27, 1995. The OTS received two comment letters: one from a savings bank and one from a national trade association. Both comment letters raised one issue—whether the removal of the term "monthly or quarterly" (used in describing the periodic reports in which LTOB limits must be computed) prevents savings associations from calculating their LTOB limits on a monthly basis.

The reference to "monthly or quarterly" was removed because the OTS no longer requires institutions to file monthly Thrift Financial Reports (TFRs). TFRs are now filed only at the end of each quarter. Thus, for compliance tracking purposes, an institution's LTOB limits are now normally computed on the basis of its unimpaired capital and unimpaired surplus at the end of each quarter. The purpose for the quarterly computation rule is to reduce the burden associated with frequent recomputation of LTOB limits. The OTS will not object if institutions choose to recompute their LTOB limits more frequently than quarterly, provided that adequate documentation is maintained.

Moreover, we also note that the LTOB rule expressly provides that if an association knows, or has reason to know, that its level of unimpaired capital and unimpaired surplus has changed significantly, either upward or downward, subsequent to a quarter-end computation, the institution must recompute its LTOB limits.⁸

Because the OTS has decided to make no substantive changes to its interim final rule, that rule is adopted as final today, with one technical correction. The words "general valuation" are being removed from the definition of "unimpaired capital and unimpaired surplus" at § 563.93(b)(11)(ii). In its present form, the definition specifies that an association's "general valuation allowances for loan and lease losses not included in supplementary capital under part 567 of this chapter" are to be added to the association's computation of unimpaired capital and unimpaired surplus.⁹ The words "general valuation"

² Pub. L. 104-13 (May 22, 1995).

³ 59 FR 18474 (April 19, 1994).

⁴ 59 FR 60300 (November 23, 1994).

⁵ 59 FR 22725 (May 3, 1994); 59 FR 28468 (June 2, 1994).

⁶ See 60 FR 15861 (March 28, 1995).

⁷ 12 U.S.C. 1464 (u).

⁸ See 12 CFR 563.93(f)(1).

⁹ 60 FR at 15864.

¹ 60 FR 47801 (September 14, 1995).

were inadvertently included in the interim final rule. The words are extraneous.

Administrative Procedure Act; Riegle Community Development and Regulatory Improvement Act of 1994

The OTS has found good cause to dispense with both prior notice and comment on this final rule and a 30-day delay of its effective date mandated by the Administrative Procedure Act.¹⁰ OTS believes that it is contrary to public interest to delay the effective date of the rule, as it corrects a number of errors that have caused confusion and these corrections will aid the public in using OTS's regulations. Because the technical amendments in the final rule are not substantive, they will not detrimentally affect savings associations by becoming effective immediately; the LTOB rule is already effective.

In addition, this document is exempt from the requirement found in section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994¹¹ that regulations must not take effect before the first day of the quarter following publication, as it imposes no new requirements.

Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act,¹² it is certified that this technical corrections regulation will not have a significant economic impact on a substantial number of small savings associations, small service corporations, or other small entities.

Executive Order 12866

The Acting Director has determined that this rule is not a "significant regulatory action" for purposes of Executive Order 12866.

Unfunded Mandates Reform Act of 1995

The OTS has determined that the requirements of this final rule will not result in expenditures by State, local, and tribal governments, or by the private sector, of more than \$100 million in any one year. Accordingly, a budgetary impact statement is not required under section 202 of the Unfunded Mandates Reform Act of 1995.

List of Subjects

12 CFR Part 505

Freedom of information.

12 CFR Part 506

Reporting and recordkeeping requirements.

12 CFR Part 510

Administrative practice and procedure.

12 CFR Part 512

Administrative practice and procedure, Investigations.

12 CFR Part 516

Administrative practice and procedure, Reporting and recordkeeping requirements, Savings associations.

12 CFR Parts 543 and 544

Reporting and recordkeeping requirements, Savings associations.

12 CFR Part 545

Accounting, Consumer protection, Credit, Electronic funds transfers, Investments, Manufactured homes, Mortgages, Reporting and recordkeeping requirements, Savings associations.

12 CFR Part 550

Savings associations, Trusts and trustees.

12 CFR Part 552

Reporting and recordkeeping requirements, Savings associations, Securities.

12 CFR Part 556

Savings associations.

12 CFR Part 563

Accounting, Advertising, Crime, Currency, Flood insurance, Investments, Mortgages, Reporting and recordkeeping requirements, Savings associations, Securities, Surety bonds.

12 CFR Part 563b

Reporting and recordkeeping requirements, Savings associations, Securities.

12 CFR Part 563c

Accounting, Savings associations, Securities.

12 CFR Part 563d

Authority delegations (Government agencies), Reporting and recordkeeping requirements, Savings associations, Securities.

12 CFR Part 565

Administrative practice and procedure, Capital, Savings associations.

12 CFR Part 566

Liquidity, Reporting and recordkeeping requirements, Savings associations.

12 CFR Part 567

Capital, Savings associations.

12 CFR Part 571

Accounting, Conflicts of interest, Investments, Reporting and recordkeeping requirements, Savings associations.

12 CFR Part 574

Administrative practice and procedure, Holding companies, Reporting and recordkeeping requirements, Savings associations, Securities.

12 CFR Part 575

Administrative practice and procedure, Capital, Holding companies, Reporting and recordkeeping requirements, Savings associations, Securities.

12 CFR Part 583

Holding companies, Savings associations.

12 CFR Part 584

Administrative practice and procedure, Holding companies, Reporting and recordkeeping requirements, Savings associations, Securities.

Accordingly, for the reasons set out in the preamble and under the authority of 12 U.S.C. 1462a, the Office of Thrift Supervision hereby amends chapter V, title 12 of the Code of Federal Regulations and adopts as final the interim rule amending 12 CFR 563.93 published at 60 FR 15861 on March 28, 1995, with one change, as set forth below:

Chapter V [Amended]

1. Chapter V of title 12 is amended by removing the headings for subchapters A through G; and by removing the term "subchapter" wherever it appears, and by adding in lieu thereof the word "chapter".

PART 505—FREEDOM OF INFORMATION ACT

2. The authority citation for part 505 continues to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 1462a, 1463, 1464.

§ 505.1 [Amended]

3. Section 505.1 is amended in paragraph (a) by removing the word "(Office)", and by adding in lieu

¹⁰ 5 U.S.C. 553.

¹¹ Pub. L. No 103-325, 12 U.S.C. 4802.

¹² Pub. L. No 96-354, 5 U.S.C. 601.

thereof the word “(OTS)”, and by removing the words “the Office as”, and adding in lieu thereof the words “the OTS as”; and in paragraph (b) by removing the word “Office” each place it appears, and by adding in lieu thereof the word “OTS”.

4. Section 505.2 is revised to read as follows:

§ 505.2 Public reference room.

The OTS will make materials available for review on an ad hoc basis when necessary. Contact the Dissemination Branch, Records Management and Information Policy Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, or visit the Public Reference Room at 1700 G Street, NW., lower level, from 9:00 a.m. to 4:00 p.m. on business days.

5. Section 505.3 is revised to read as follows:

§ 505.3 Requests for records.

Initial determinations under 31 CFR 1.5(g) as to whether to grant requests for records of the OTS will be made by the Manager, Dissemination Branch or by an official so designated. Requests may be mailed to: Freedom of Information Act Request, Dissemination Branch, Records Management and Information Policy Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, or marked “FOIA” and delivered in person to the Public Reference Room, Dissemination Branch, Records Management and Information Policy Division, 1700 G Street, NW., Lower Level. Requests may also be sent by facsimile.

6. Section 505.4 is revised to read as follows:

§ 505.4 Administrative appeal of initial determination to deny records.

Appellate determinations under 31 CFR 1.5(h) with respect to records of the OTS will be made by the Executive Director for Administration or the Director, Records Management and Information Policy Division. Appeals by mail should be addressed to: Dissemination Branch, Records Management and Information Policy Division, 1700 G Street, NW., Washington, DC 20552. Appeals may be delivered personally to the Dissemination Branch, Records Management and Information Policy Division, Office of Thrift Supervision, 1700 G Street, NW., Lower Level. Appeals may also be sent by facsimile.

PART 506—INFORMATION COLLECTION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT

7. The authority citation for part 506 continues to read as follows:

Authority: 44 U.S.C. 3501 *et seq.*

8. Section 506.1 is revised to read as follows:

§ 506.1 OMB control numbers assigned pursuant to the Paperwork Reduction Act.

(a) *Purpose.* This part collects and displays the control numbers assigned to information collection requirements contained in regulations of the Office of Thrift Supervision by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995, Pub. L. 104–13, 109 Stat. 163, and is adopted in compliance with the requirements of 5 CFR 1320.8.

Information collection requirements that are not mandated by statute must be assigned control numbers by OMB in order to be enforceable.

(b) *Display.*

12 CFR part or section where identified and described	Current OMB control No.
502.3	1550–0053
510	1550–0081
516.1(c)	1550–0056
Part 528	1550–0021
528.1a	1550–0011
533.1	1550–0011
543.1	1550–0018
543.2	1550–0005
543.9	1550–0007
544.2	1550–0017
544.5	1550–0018
545.36(d)	1550–0011
545.74	1550–0013
545.81	1550–0077
545.82	1550–0033
545.92	1550–0006
545.95	1550–0006
545.96(c)	1550–0011
545.121	1550–0047
545.131	1550–0011
546.2	1550–0016
546.4	1550–0066
550.2	1550–0037
550.14	1550–0037
552.2–1	1550–0005
552.2–6	1550–0007
552.4	1550–0017
552.5	1550–0018
552.6	1550–0025
552.7	1550–0025
552.10	1550–0019
552.11	1550–0011
552.13	1550–0016,
	1550–0025
562.1(b)	1550–0011
563.1(b)	1550–0011
563.10	1550–0027
563.22	1550–0016,
	1550–0025
563.34	1550–0011
563.37(c)	1550–0067

12 CFR part or section where identified and described	Current OMB control No.
563.38	1550–0065
563.41(e)	1550–0011
563.42(e)	1550–0011
563.43 (f) through (h)	1550–0075
563.43(i)(3)	1550–0075
563.47(e)	1550–0011
563.48(c)	1550–0011
563.74	1550–0050
563.80	1550–0061
563.81	1550–0030
563.93(f)	1550–0011
563.99–563.101 (Subpart D), Appendix A	1550–0078
563.99e	1550–0011
563.132	1550–0033
563.134	1550–0059
563.170	1550–0011
563.170(c)	1550–0011,
	1550–0083
563.172	1550–0011
563.173(e)	1550–0011
563.174(e)	1550–0011
563.174(f)	1550–0011
563.175(e)	1550–0011
563.175(f)	1550–0011
563.177	1550–0041
563.180	1550–0084
563.180(d)	1550–0003
563.181	1550–0032
563.183	1550–0032
Part 563b	1550–0014
563b.4	1550–0032
563b.20 through 563b.32	1550–0074
Part 563d	1550–0019
Part 563e	1550–0012
Part 563f	1550–0051
Part 563g	1550–0035
Part 564	1550–0011
566.4	1550–0011
Part 568	1550–0062
571.6	1550–0005
574	1550–0032
574.6	1550–0015
Part 575	1550–0071
584.2–1	1550–0063
584.2–2	1550–0063
584.9	1550–0063

PART 510—MISCELLANEOUS ORGANIZATIONAL REGULATIONS

8a. The authority citation for part 510 is revised to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464.

§ 510.2 [Amended]

8b. Section 510.2 is amended in paragraph (a) by removing the phrase “subchapters A, B, C, D, E, F, and G of”.

PART 512—RULES FOR INVESTIGATIVE PROCEEDINGS AND FORMAL EXAMINATION PROCEEDINGS

9. The authority citation for part 512 is revised to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464, 1467, 1467a, 1813; 15 U.S.C. 78 l.

§ 512.4 [Amended]

10. Section 512.4 is amended by removing the phrase "Director or any Deputy Director of Enforcement", and by adding in lieu thereof the phrase "Deputy Chief Counsel for Enforcement or the appropriate Regional Counsel for Enforcement".

§ 512.5 [Amended]

11. Section 512.5 is amended in paragraph (a) by removing the phrase "Director or any Deputy Director of Enforcement", and by adding in lieu thereof the phrase "Deputy Chief Counsel for Enforcement or the appropriate Regional Counsel for Enforcement".

PART 516—APPLICATION PROCESSING GUIDELINES AND PROCEDURES

12. The authority citation for part 516 continues to read as follows:

Authority: 5 U.S.C. 552, 559; 12 U.S.C. 1462a, 1463, 1464.

§ 516.1 [Amended]

13. Section 516.1 is amended in paragraph (b)(1) by removing the word "17th" and by adding in lieu thereof the word "18th"; in paragraph (b)(2) by removing the number "30348-5217" and by adding in lieu thereof the number "30309"; in paragraph (b)(3) by removing the phrase "111 East Wacker Drive, suite 800, Chicago, Illinois 60601-4360", and by adding in lieu thereof the phrase "200 West Madison Street, Suite 1300, Chicago, Illinois 60606"; in paragraph (b)(4) by removing the phrase "P.O. Box 619027,"; and in paragraph (b)(5) by removing the word "Center" and by adding in lieu thereof the word "Street".

14. Section 516.3 is amended by revising paragraph (c) to read as follows:

§ 516.3 Definitions.

* * * * *

(c) *CAMEL rating*. A savings association's CAMEL rating is its Capital, Assets, Management, Earnings, and Liquidity rating as of the most recent rating update (as determined either on-site or off-site by the most recent examination) of which the savings association has been notified in writing.

* * * * *

PART 543—INCORPORATION, ORGANIZATION, AND CONVERSION OF FEDERAL MUTUAL ASSOCIATIONS

15. The authority citation for part 543 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 2901 *et seq.*

16. Section 543.8 is amended in paragraph (a) by removing the phrase "District Director or his or her designee", and by adding in lieu thereof the word "OTS"; and by adding a second sentence to read as follows:

§ 543.8 Conversion of State mutual charter to Federal charter.

(a) * * * Requests for such approval shall be filed in accordance with § 516.1(c) of this chapter.

§ 543.11 [Amended]

17. Section 543.11 is amended in paragraph (c)(1)(iii)(C) by removing the last sentence.

PART 544—CHARTER AND BYLAWS

18. The authority citation for part 544 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 2901 *et seq.*

§ 544.3 [Amended]

19. Section 544.3 is amended in the petition by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

PART 545—OPERATIONS

20. The authority citation for part 545 continues to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464, 1828.

§ 545.74 [Amended]

21. Section 545.74 is amended in paragraph (c)(4)(iv) by removing the phrase "District Director or his or her designee", and by adding in lieu thereof the phrase "Regional Director"; and by removing the phrase "he or she has", and by adding in lieu thereof the phrase "there are".

§ 545.82 [Amended]

22. Section 545.82 is amended in paragraph (c)(1)(i) by removing the phrase "District Director", and by adding in lieu thereof the phrase "OTS", and by removing the phrase "of the parent Federal savings association"; in paragraph (c)(1)(ii) by removing the phrase "District Director", and by adding in lieu thereof the word "OTS", and by removing the phrase "the Federal savings association's"; and in paragraph (f)(2) by removing the phrase "its District Director", and by adding in lieu thereof the phrase "the OTS".

§ 545.121 [Amended]

23. Section 545.121 is amended in paragraph (c) concluding text by removing the phrase "District Director",

and by adding in lieu thereof the phrase "Regional Director", and by removing the phrase "Director of the Office", and by adding in lieu thereof the word "OTS"; and in the third sentence of paragraph (e) by removing the phrase "it the person", and by adding in lieu thereof the phrase "if the person".

§ 545.131 [Amended]

24. Section 545.131 is amended in paragraph (b)(7) introductory text by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

PART 550—TRUST POWERS OF FEDERAL SAVINGS ASSOCIATIONS

25. The authority citation for part 550 continues to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464, 1735f-7.

§ 550.2 [Amended]

26. Section 550.2 is amended in paragraph (c) introductory text by removing the phrase "District Director's", and by adding in lieu thereof the phrase "Regional Director's"; and in paragraph (c) introductory text, and paragraphs (c)(1), (c)(4), (c)(5), (c)(7), (c)(9), and (d) by removing the phrase "District Director" each place it appears, and by adding in lieu thereof the phrase "Regional Director".

§ 550.3 [Amended]

27. Section 550.3 is amended by removing the phrase "or the District Director", and by adding in lieu thereof the phrase "Regional Director".

§ 550.10 [Amended]

28. Section 550.10 is amended in paragraph (b)(2) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

§ 550.13 [Amended]

29. Section 550.13(b) is amended by removing the phrase "shall also be filed with the District Director and that the Office may review such documents", and by adding in lieu thereof the phrase "shall also be filed in accordance with the filing instructions in § 516.1(c) of this chapter and that the OTS may review such documents".

§ 550.14 [Amended]

30. Section 550.14 is amended in paragraph (a) by removing the phrase "§ 500.32(c)(5)", and by adding in lieu thereof the phrase "§ 516.1(c)"; and in paragraphs (b) and (c) introductory text by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

§ 550.15 [Amended]

31. Section 550.15 is amended in paragraph (a) by removing the phrase "parts 558 and 559 of this title", and by adding in lieu thereof the phrase "part 558 of this chapter".

PART 552—INCORPORATION, ORGANIZATION, AND CONVERSION OF FEDERAL STOCK ASSOCIATIONS

32. The authority citation for part 552 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a.

§ 552.5 [Amended]

33. Section 552.5 is amended in paragraph (a) by removing the phrase "552.6–3, and 552.6–4", and by adding in lieu thereof the phrase "and 552.6–3"; and in paragraph (b)(1)(ii) by removing the phrase "552.6–3 and 552.6–4", and by adding "and 552.6–3" in its place.

34. Article VIII of the appendix to part 552 is revised to read as follows:

Appendix to Part 552—Model Bylaws for Stock Associations

* * * * *

Article VIII—Fiscal Year

The fiscal year of the association shall end on the _____ of _____ of each year. The appointment of accountants shall be subject to annual ratification by the shareholders.

* * * * *

PART 556—STATEMENTS OF POLICY

34a. The authority citation for part 556 continues to read as follows:

Authority: 5 U.S.C. 552, 559; 12 U.S.C. 1464, 1701j–3; 15 U.S.C. 1693–1693r.

§ 556.5 [Amended]

34b. Section 556.5 is amended in paragraph (c)(4) by removing the phrases "of chapter C" and "of chapter D".

PART 563—OPERATIONS

35. The authority citation for part 563 continues to read as follows:

Authority: 12 U.S.C. 375b, 1462, 1462a, 1463, 1464, 1467a, 1468, 1817, 1828, 3806; 42 U.S.C. 4106.

§ 563.9 [Amended]

36. Section 563.9 is amended in paragraph (f) by removing the phrase "Notwithstanding the provisions of § 571.25 of this chapter, a", and by adding in lieu thereof the word "A".

§ 563.93 [Amended]

37. Section 563.93 is amended in paragraph (b)(11)(ii) by removing the phrase "general valuation".

§ 563.134 [Amended]

38. Section 563.134 is amended in paragraphs (b)(5) and (c) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

§ 563.160 [Amended]

39. Section 563.160 is amended in paragraphs (c)(2) and (d)(1) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director"; and by removing paragraph (f).

§ 563.170 [Amended]

40. Section 563.170 is amended in paragraph (b)(1) by removing the phrase "District Director" each place it appears, and by adding in lieu thereof the phrase "Regional Director", and by removing the term "District" and by adding in lieu thereof the term "Region"; in paragraph (c)(3)(iii) by removing the phrase "its District Director, or the", and by adding in lieu thereof the phrase "or its"; and in paragraph (e) by removing the phrases "District Director" and "District", and by adding in lieu thereof the phrases "Regional Director" and "Region", respectively.

§ 563.177 [Amended]

40a. Section 563.177 is amended in paragraphs (a) and (b) by removing the phrase "chapter II", and by adding in lieu thereof the phrase "subchapter II".

§ 563.183 [Amended]

41. Section 563.183 is amended in paragraph (c)(1) by removing the phrase "shall be by letter signed by the officer making the report with the original and two copies to the District Director or his or her designee", and by adding in lieu thereof the phrase "shall be done in accordance with § 516.1(c) of this chapter".

PART 563b—CONVERSIONS FROM MUTUAL TO STOCK FORM

42. The authority citation for part 563b continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 2901; 15 U.S.C. 78c, 78l, 78m, 78n, 78w.

43. Section 563b.2 is amended by removing paragraph (a)(15), by redesignating paragraph (a)(16) as paragraph (a)(15) and by adding new paragraph (a)(16) to read as follows:

§ 563b.2 Definitions.

(a) * * *

(16) *Employee*. The term *employee* does not include a director or officer.

* * * * *

§ 563b.3 [Amended]

44. Section 563b.3 is amended in the last sentence of paragraph (c)(8) by removing the phrase "§ 563b.10(c)", and by adding in lieu thereof the phrase "§ 563b.10".

§ 563b.3 [Amended]

44a. Section 563b.3 is amended in the charter provision of paragraph (c)(13) by removing the phrase "chapter D", and by adding in lieu thereof the phrase "Part 563b".

§ 563b.4 [Amended]

45. Section 563b.4 is amended by designating the concluding text of paragraph (b)(1)(i) as paragraph (b)(1)(ii); and by removing the phrase "Corporate and Securities" where it appears in newly designated paragraph (b)(1)(ii) and by adding in lieu thereof the phrase "Business Transactions".

§ 563b.8 [Amended]

46. Section 563b.8 is amended by removing the phrase "Corporate and Securities" where it appears in the first, second, and third sentences of paragraph (e)(1) and adding in lieu thereof the phrase "Business Transactions".

§ 563b.29 [Amended]

47. Section 563b.29 is amended in paragraph (b) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

PART 563c—ACCOUNTING REQUIREMENTS

48. The authority citation for part 563c is revised to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464; 15 U.S.C. 78c(b), 78m, 78n, 78w.

§ 563c.3 [Amended]

49. Section 563c.3 is amended by removing paragraph (b) and the paragraph designation for paragraph (a).

PART 563d—SECURITIES OF SAVINGS ASSOCIATIONS

50. The authority citation for part 563d is revised to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464; 15 U.S.C. 78c(b), 78l, 78m, 78w, 78d–1.

§ 563d.1 [Amended]

51. Section 563d.1 is amended by removing the phrase "Corporate and Securities", and by adding in lieu thereof the phrase "Business Transactions".

§ 563d.2 [Amended]

52. Section 563d.2 is amended by removing the phrase "Corporate and

Securities" where it appears in the first, third, and fourth sentences, and by adding in lieu thereof the phrase "Business Transactions"; and by removing the word "District", and the phrases "District Office", "District Offices", and "District Director" where they appear, and by adding in lieu thereof the word "Region", and the phrases "Regional Office", "Regional Offices", and "Regional Director", respectively.

PART 565—PROMPT CORRECTIVE ACTION

53. The authority citation for part 565 continues to read as follows:

Authority: 12 U.S.C. 1831o.

§ 565.9 [Amended]

54. Section 565.9 is amended by removing the phrase "section 565.8" in paragraph (a) and by adding in lieu thereof the phrase "§ 565.7".

PART 566—LIQUIDITY

55. The authority citation for part 566 is revised to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1465, 1467a; 15 U.S.C. 1691, 1691a.

§ 566.2 [Amended]

56. Section 566.2 is amended in paragraph (c) by removing the phrase "§ 566.1, and § 566.3", and by adding in lieu thereof the phrase "and § 566.1".

PART 567—CAPITAL

57. The authority citation for part 567 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1828 (note).

58. Section 567.3 is amended by:

- a. revising paragraph (a);
- b. removing, in paragraph (b)(5), the phrase "§ 563.131 of this chapter or other Office regulations", and by adding in lieu thereof the phrase "other Office regulations or other guidance";
- c. revising paragraph (d)(1);
- d. removing, in paragraphs (d)(2) and (d)(3), the phrases "District Director" and "District Director's" each place they appear, and by adding in lieu thereof the phrases "OTS" and "OTS's", respectively;
- e. revising the fourth and fifth sentences of paragraph (d)(3), and removing the third sentence of paragraph (d)(3); and
- f. revising paragraph (d)(5). The revisions read as follows:

§ 567.3 Individual minimum capital requirements.

(a) *Purpose and scope.* The rules and procedures specified in this section

apply to the establishment of an individual minimum capital requirement for a savings association that varies from the requirement that would otherwise apply to the savings association under § 567.2 of this part. Pursuant to 12 U.S.C. 1464(s), the OTS may establish such individual minimum capital requirements for savings associations as it deems necessary or appropriate on a case-by-case basis in light of the particular circumstances of each savings association.

* * * * *

(d) *Procedures—(1) Notification.* When the OTS determines that a minimum capital requirement different from that set forth in § 567.2 of this part is necessary or appropriate for a particular savings association, it shall notify the savings association in writing of its proposed individual minimum capital requirement; the schedule for compliance with the new requirement; and the specific causes for determining that the higher individual minimum capital requirement is necessary or appropriate for the savings association. The OTS shall forward the notifying letter to the appropriate state supervisor if a state-chartered savings association would be subject to an individual minimum capital requirement.

* * * * *

(3) * * * The OTS shall provide the savings association and the appropriate state supervisor (if a state-chartered savings association is involved) with a written decision on the individual minimum capital requirement, addressing the substantive comments made by the savings association and setting forth the decision and the basis for that decision. Upon receipt of this decision by the savings association, the individual minimum capital requirement becomes effective and binding upon the savings association. *

* * * * *

(5) *Change in circumstances.* If, after a decision is made under paragraph (d)(3) of this section, there is a change in the circumstances affecting the savings association's capital adequacy or its ability to reach its required minimum capital level by the specified date, OTS may amend the individual minimum capital requirement or the savings association's schedule for such compliance. The OTS may decline to consider a savings association's request for such changes that are not based on a significant change in circumstances or that are repetitive or frivolous. Pending the OTS's reexamination of the original decision, that original decision and any compliance schedule established

thereunder shall continue in full force and effect.

59. Section 567.4 is amended by:

- a. removing, in paragraph (a)(1) introductory text, the phrase "after referral of an appropriate case by a District Director and based on a recommendation of the Office's Office of Enforcement developed in coordination with the Deputy Director for Regional Operations";

- b. revising paragraph (a)(2) introductory text;

- c. revising the second and fifth sentences in paragraph (a)(3)(i) introductory text;

- d. removing, in paragraph (a)(3)(i) introductory text the word "Enforcement" each place it appears, and adding in lieu thereof the phrase "the Office"; and in paragraphs (a)(3)(i)(A) and (C), (a)(3)(ii), (a)(4), and (a)(5)(ii), by removing the words "of Enforcement" each place it appears;

- e. removing, in paragraph (a)(4), the phrase "based on a recommendation from the Office developed in coordination with the Deputy Director for Regional Operations,";

- f. revising paragraph (a)(6); and

- g. removing in paragraph (b)(1) the phrase "(such as an application under § 563.131 of this chapter, or an application for approval to exceed its applicable equity risk investment threshold pursuant to § 563.98(g) of this chapter)".

The revisions read as follows:

§ 567.4 Capital directives.

(a) * * *

(2) *Notice of intent to issue capital directive.* The OTS will determine whether to initiate the process of issuing a capital directive. The OTS will notify a savings association in writing by registered mail of its intention to issue a capital directive. If a state-chartered savings association is involved, the OTS will also notify and solicit comment from the appropriate state supervisor. The notice will state:

* * * * *

(3) *Response to notice of intent.* (i) * * * The response should also include any information that the savings association wishes the OTS to consider in deciding whether to issue a capital directive. * * * Such responses shall be submitted in accordance with § 516.1(c) of this chapter. * * *

* * * * *

(6) *Change in circumstances.* Upon a change in circumstances, a savings association may submit a request to the OTS to reconsider the terms of the capital directive or consider changes in the savings association's capital plan

issued under a directive for the savings association to achieve its minimum capital requirement. If the OTS believes such a change is warranted, the OTS may modify the savings association's capital requirement or may refuse to make such modification if it determines that there are not significant changes in circumstances. Pending a decision on reconsideration, the capital directive and capital plan shall continue in full force and effect.

* * * * *

§ 567.10 [Amended]

60. Section 567.10 is amended in paragraphs (a)(3) introductory text and (c) by removing the phrase "its District Director" and by adding in lieu thereof the phrase "the Regional Director".

§ 567.13 [Amended]

61. Section 567.13 is amended in paragraph (c) by removing the phrase "by the District Director".

PART 571—STATEMENTS OF POLICY

62. The authority citation for part 571 continues to read as follows:

Authority: 5 U.S.C. 552, 559; 12 U.S.C. 1462a, 1463, 1464.

§ 571.6 [Amended]

63. Section 571.6 is amended in paragraphs (a)(2)(iv), (b)(3)(i), (d)(1), (d)(2), (d)(4)(ii), and (g) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director"; and by redesignating paragraph (b)(3)(i) as paragraph (b)(3).

§ 571.13 [Amended]

64. Section 571.13 is amended in the introductory text of paragraph (a) by removing the phrase "563.90 and"; and in paragraph (a)(1) by removing the phrase "or District Directors".

§ 571.20 [Amended]

65. Section 571.20 is amended in paragraph (a) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

PART 574—ACQUISITION OF CONTROL OF SAVINGS ASSOCIATIONS

66. The authority citation for part 574 continues to read as follows:

Authority: 12 U.S.C. 1467a, 1817, 1831i.

§ 574.2 [Amended]

67. Section 574.2 is amended by removing and reserving paragraph (i).

§ 574.3 [Amended]

68. Section 574.3 is amended in paragraph (c)(2)(v) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

§ 574.4 [Amended]

69. Section 574.4 is amended in paragraph (c)(4)(ii) by removing the phrase "District Director or his or her designee", and by adding in lieu thereof the phrase "Regional Director"; and in paragraph (f)(2) by removing the phrase "§ 574.6(b)(3) of this part", and by adding in lieu thereof the phrase "§ 516.1(c) of this chapter".

70. Section 574.6 is amended by adding paragraphs (a)(4) through (a)(6); by removing in paragraph (c)(3)(ii)(D) the phrase "chapter II", and by adding in lieu thereof the phrase "subchapter II"; and by removing paragraph (c)(3)(iii) to read as follows:

§ 574.6 Procedural requirements.

(a) * * *

(4) *H-(e)3*. This application shall be used for all applications filed under § 574.3(a) of this part:

(i) By a savings and loan holding company for approval of acquisitions by a merger, consolidation, or purchase of assets of a savings association or uninsured institution or a savings and loan holding company; or

(ii) By any company for approval of acquisitions by a merger, consolidation, or purchase of assets of two or more savings associations.

(5) *H-(e)4*. This information filing shall be used to claim that a reorganization is exempt from prior written approval of the OTS under § 574.3(c)(1)(ii) of this part.

(6) *Notice Form 1393, parts A and B*. This form shall be used for all notices filed under § 574.3(b) of this part regarding the acquisition of control of a savings association by any person or persons not constituting a company except as provided in paragraph (a)(3) of this section.

* * * * *

§ 574.7 [Amended]

71. Section 574.7 is amended in paragraphs (a)(2)(iii)(A) and (E) by removing the phrase "Senior Deputy Director for Supervision (Policy)", and by adding in lieu thereof the word "OTS"; in paragraphs (a)(2)(iii)(F)(1) through (4) by removing the phrase "District Director or his or her designee", and by adding in lieu thereof the word "OTS"; and in paragraph (c)(2) introductory text by removing the phrase "(a)(4), and".

PART 575—MUTUAL SAVINGS AND LOAN HOLDING COMPANIES

72. The authority citation for part 575 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1828, 2901.

§ 575.2 [Amended]

72a. Section 575.2 is amended in paragraphs (i) and (p) by removing the phrase "of chapter F".

§ 575.10 [Amended]

73. Section 575.10 is amended in paragraphs (a)(1) and (a)(2)(iii) by removing the phrase "and 571.5".

§ 575.11 [Amended]

74. Section 575.11 is amended in paragraph (g) by removing the phrase "§§ 563.39 and 571.5", and by adding in lieu thereof the phrase "§ 563.39".

PART 583—DEFINITIONS

75. The authority citation for part 583 is revised to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1468.

§ 583.10 [Removed]

76. Section 583.10 is removed.

PART 584—REGULATED ACTIVITIES

77. The authority citation for part 584 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1468.

§ 584.1 [Amended]

78. Section 584.1 is amended in paragraph (b) by removing the phrase "District Director", and by adding in lieu thereof the phrase "Regional Director".

§ 584.2-2 [Amended]

79. Section 584.2-2 is amended in paragraph (b) by removing the third sentence; and in paragraph (c) by removing the phrase "the District Director or the Director of the Office, as the case may be," and by adding in lieu thereof the phrase "the OTS".

Dated: December 11, 1995.

By the Office of Thrift Supervision.

Jonathan L. Fiechter,

Acting Director.

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